1) Name of Project: Digitizing Railroad Commission Underground Injection Control Permits.

2) Point of Contact: David Hill, Manager, Injection-Storage Permits & Support, Railroad Commission of Texas, 1701 N. Congress, P. O. Box 12967, Austin, Texas 78711-2967, david.hill@rrc.state.tx.us , Phone: 512-463-3011, Fax: 512-463-6780

3) Is this a Continuation of a Previously Funded Project? (If so, please provide the status of the current project.) This is a continuation and expansion of the special project initially funded in 2010.

4) Proposed Federal Amount: $47,125

5) State Matching Amount $15,747

6) Proposed Total Amount: $62,872

FY 2016 UIC Special Project	State (25%)	Federal (75%)	Total
Salary	$ 8,460	$ -	$ 8,460
Fringe (32.38%)	$ 2,739	$ -	$ 2,739
Contractual	$ -	$ 47,125	$ 47,125
Indirect (40.61%)	$ 4,548	$ -	$ 4,548
Total	$ 15,747	$ 47,125	$ 62,872

7) Project Description (should not exceed three pages of single-spaced text – font size 11):

The Railroad Commission of Texas seeks to improve the efficiency and effectiveness of its Class II Underground Injection Control program through development of a complete digital record series for the UIC program, including historical and day-forward digitization. The proposed project includes digitization of UIC Injection Well (Form H-1 & H-1A) and Disposal Well (Form W-14) permits, along with Mechanical Integrity Test (MIT) (Form H-5) reports. This will allow improved accessibility to a complete record series of UIC program related data. The proposed digitization will expand public and industry access to this segment of the monitoring process, which will result in greater opportunities for interaction among the Commission and its stakeholders, as well as increased public participation. With funding from this proposal, the Commission will enhance its reporting system to allow for ongoing environmental improvement over time through better management of permitted injection sites throughout Texas.

The Commission administers that portion of the federal Underground Injection Control (UIC) program under the Safe Drinking Water Act relating to injection and disposal wells used for disposal of oil and gas wastes and enhanced recovery of oil and gas. The Commission processes approximately 2,500 Class II injection well permits each year and monitors the status and operations of over 56,000 permitted injection wells. The national Class II inventory includes approximately 172,000 permitted injection wells. With approximately 33 percent of the national inventory of permitted injection wells located in Texas, and nearly 75 percent of EPA Region 6's permitted injection wells in Texas, the Railroad Commission's program is by far the largest in the nation.

The Railroad Commission's UIC permitting and monitoring program is administered by the agency's Technical Permitting Section. The program is federally delegated by the U.S. Environmental Protection Agency to the Railroad Commission, and follows national guidelines

under the federal Safe Drinking Water Act for protection of underground sources of drinking water. EPA granted the Railroad Commission "primary enforcement responsibility" over oil and gas injection and disposal wells on April 23, 1982. The Commission also permits and monitors approximately 750 underground liquid hydrocarbon storage wells and 152 Class III brine mining wells.

The Railroad Commission will contract with Neubus, Inc.[1], to complete this project. The Texas State Library and Archives Commission serves as the administrator of a contract awarded to Neubus for digital imaging services in March 2003, under the purview of the Council on Competitive Government (CCG). The CCG exists to advance government transformation efforts in the state of Texas. Government transformation efforts are projects that reexamine the method of delivering services in ways that improve efficiency, effectiveness and results that are relevant to citizens. The original contract term was from September 1, 2007, to August 31, 2011, with two one-year renewal options. The most recent contract went into effect on September 1, 2014 with an initial end date of August 31, 2017 and options for renewal for three, one-year periods. Texas state agencies located in Travis County that elect to use a vendor for their standard document digital imaging needs must use this contract. The contract includes a data transition plan should Neubus no longer be under contract with the State of Texas, as well as other safeguards to protect data stored on Neubus servers. The contract also requires the seamless transfer of any ongoing projects to a new vendor.

The Railroad Commission's proposal is a continuation of previous special projects that funded the digitization of all Disposal Well (W-14) permits, Injection Well (H1 & H1-A) permit applications, and Mechanical Integrity Test (MIT) (Form H-5) reports for various time periods. With this proposal the Commission will finalize the complete digital record series, as well as process day forward permits and reports as they are submitted. Digitizing permit applications for disposal of oil or gas waste by injection for a single well, in an unproductive zone or multiple wells in a productive zone, currently allows greater access to the disposal well permit information than is presently feasible without a digital database of these records. These records are maintained numerically by a permit or project number without respect to geography, geology, chronology, or permit parameters. Digitizing the permit files will enable greater access to the injection well permit information than is presently feasible without a digital database of these records. This will significantly enhance environmental oversight capabilities and value to affected stakeholders and general public through improved search and cross-reference capabilities. Digitizing UIC well Mechanical Integrity Test (MIT) reports (Form H-5) will improve the monitoring components of the Commission's Class II Underground Injection Control program by easing access to program-critical records that allow Commission staff to verify proof of mechanical integrity, demonstrate protection of ground water, while also allowing the public access to the same records in real time. Such transparency is necessary as the state's energy regulator, but also creates a more efficient and effective program by maintain a complete history of well compliance in one easily accessible digital location.

[1] Neubus <www.neubus.com> is an Austin, Texas based company that is one of the leading providers of digital imaging and document management solutions to state, local and municipal government agencies, school districts, universities and public corporations. Neubus has contracts with the federal government, the state of California, and the state of Texas for office imaging, document solutions, or digitizing services. The company was formed in 2000. The Railroad Commission works with Neubus under the auspices of the State of Texas Council on Competitive Government contract for digitization services. The Commission began working with Neubus in 2006 to digitize oil and gas well records.

Digital access has significantly enhanced environmental oversight capabilities and value to the affected stakeholders and general public through improved search and cross-reference capabilities. The digitization process includes digitizing the complete file and provides Optical Character Recognition (OCR). OCR enables the viewer to query on a word or phrase once the digitized images are available on the Railroad Commission (RRC) web site. Industry and the general public now have the ability to search and access disposal well records for the entire state of Texas. Continuing the imaging of these permits will only increase the overall value of this project.

The entire inventory of Disposal Well Permits digitized through March 2015 may be viewed using the following link:

http://www.rrc.state.tx.us/about-us/resource-center/research/online-research-queries/imaged-records-menu/

8) Expected Accomplishments or Product, with due dates, and Interim Milestones:

This proposal will establish a digital platform of the complete permitting and testing record series for the UIC program that will allow for ongoing environmental improvement over time through better management of permitted injection wells throughout Texas. It will provide the platform to examine injection and disposal well permits and testing data to seek continual improvements to environmental outcomes.

Each of the activities may occur concurrently, or in non-sequential order as discrete activities. The final product will be web-based fully searchable digital images of the complete record series of UIC permits and testing data. The project will be complete by August 31, 2016.

9) Anticipated Environmental Results and Outcomes:

The primary goal of the proposed project is to improve regulatory functions through increased access to data by stakeholders as well as regulatory staff. The critical measure of success is the percent of underground injection wells that maintain mechanical integrity thereby protecting an underground source of drinking water. The proposed project will provide efficiencies that will be realized as direct cost savings.

The Commission receives approximately 200 permit applications per month, or 10 per day, however, one application may contain from one to 150 wells. The volume of permits prevents search and cross-reference functionality with the current hybrid system of paper and propriety electronic records. The complete proposed project will allow for such functionality across the lifespan of the program. Permits that are not presently searchable or cross-referenced according to geography, geology, chronology, or permit parameters will have expanded functionality and will enable greater access than is possible without a digital database of these records.